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PRESS RELEASE

**ANDREW N. YAO OF BRYN MAWR
SENTENCED ON FRAUD CHARGES**

David C. Weiss, Acting United States Attorney for the District of Delaware announced that Andrew N. Yao, age 47, of Bryn Mawr, Pennsylvania was sentenced yesterday by the Honorable Petrese B. Tucker to a term of incarceration of 60 months, to be followed by a term of 60 months of supervised release. Mr. Yao was also ordered to pay restitution of more than \$12.5 million and is subject to an order of criminal forfeiture for an additional amount of approximately \$1 million. In June 2008, Mr. Yao pled guilty to a ten-count Indictment filed in the Eastern District of Pennsylvania. The Indictment charged Mr. Yao with seven counts of making false statements to a financial institution, one count of mail fraud, one count of wire fraud, and one count of engaging in an illegal monetary transaction.

From 1998 through 2002, Mr. Yao obtained a series of personal and business loans totaling over \$40 million dollars. During this time, defendant Yao was the president and sole shareholder of Student Finance Corporation ("SFC"), a closely-held Pennsylvania corporation operating in Newark, Delaware. SFC was in the business of funding and servicing student loans, with a particular emphasis on loans to trade school students. SFC has been in bankruptcy since June 2002.

From the early 1990s through 2002, Mr. Yao hired T.W., an accountant, now deceased, to prepare fraudulent personal tax returns for Mr. Yao, fraudulent corporate tax returns for SFC, and fraudulent Personal Financial Statements, purporting to represent Mr. Yao's personal net worth during the relevant reporting period. The T.W.-prepared tax returns were not the tax returns Mr. Yao and SFC filed with the IRS, and differed materially from those filed returns. In a number of cases, the T.W.-prepared returns stated that Mr. Yao's income exceeded the income reported to the IRS by millions of dollars.

Mr. Yao provided fraudulent financial documents to various lenders, including Wilmington Trust of Pennsylvania, First Union National Bank, U.S. Bancorp and Wachovia Mortgage, when applying for personal and business loans. These loans included a \$25 million dollar line of credit for SFC, a personal loan for a private plane purchased by Mr. Yao that was valued at over \$4 million, a loan for the \$3 million refinance of Mr. Yao's Nantucket, Massachusetts vacation home, and other loans that generated \$7.2 million in cash for Mr. Yao. Each of the lending institutions required these financial documents in order to approve the loans Mr. Yao or his businesses sought and received.

Acting U.S. Attorney Weiss stated: "The sentence imposed on Mr. Yao sends an important message to all those who would think about attacking our financial system through fraud. Particularly in today's economic climate, it is easy to understand the real-world impact of frauds like the one perpetrated by the defendant. His false statements led to the loss of millions of dollars by financial institutions – losses that affected those institutions, their employees, their shareholders and the public. The Judge's sentence clearly recognized the significant harm that Mr. Yao's actions have caused."

Acting U.S. Attorney Weiss gave special thanks to the years of work that agents from the Federal Bureau of Investigation and Internal Revenue Service-Criminal Investigation have devoted to Mr. Yao's prosecution.

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